

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA)	
)	
v.)	CRIMINAL NO.: 1:05 CR 538
)	
RICKY KASTELLO,)	Count 1: Mail Fraud
)	(18 U.S.C. § 1341)
)	
Defendant.)	

STATEMENT OF FACTS

Were this case to go to trial, the government would prove beyond a reasonable doubt the following:

Background Information

1. The defendant RICKY KASTELLO (KASTELLO), resided in northern Virginia.
2. State Farm Insurance Company; Government Employees Insurance Company (GEICO); and General Motors Acceptance Corporation (GMAC), are insurance companies providing automobile liability insurance coverage for policyholders residing in the Eastern District of Virginia and elsewhere.
3. Bart's Car Store (Bart's) is an automobile dealership in Indiana; Community Wide Federal Credit Union (CWFCU) is a federally insured financial institution also located in Indiana.
4. From November 2004, through January 2005, in the Eastern District of Virginia and elsewhere, defendant KASTELLO and others, knowingly devised and intended to devise a scheme to defraud Bart's, CWFCU and private insurance companies offering

automobile insurance coverage to individuals in northern Virginia and elsewhere, and to obtain money and property from these entities by means of materially false and fraudulent pretenses and representations.

5. KASTELLO intended to cause his victims more than \$70,000, but less than \$120,000, in losses.

Overview of Scheme to Defraud

6. It was part of the scheme and artifice to defraud that KASTELLO and others would obtain used cars under false pretenses from Bart's by causing Bart's to submit credit applications to CWFCU to finance the purchase of the used cars, knowing that the credit applications they signed contained materially false information such as false names, false social security numbers and false statements of income and employment.
7. Once they obtained the used cars, KASTELLO and others submitted false insurance claims to private insurers using the following method:
 - (a) KASTELLO and others would drive these cars (also known as the "claimants' cars) back to northern Virginia where they staged accidents with these cars by, among other ways, driving into stationary objects.
 - (b) Another participant in the scheme (hereinafter referred to as the "policyholder") who held an automobile insurance policy with a particular insurer would call his insurer and falsely assert to have been in an the automobile accident with a claimant's car, and admit fault.
 - (c) KASTELLO or another participant, acting as the claimant, would call the same insurer and falsely state that his car had been in an automobile the accident with

the policyholder's car, and that his car had been damaged as a result.

- (d) KASTELLO or another participant then would bring the damaged car to a drive-through inspection station operated by the targeted insurer. After verifying the damage to the car, the insurer would issue the claimant a check to settle the property damage claim. The claimant then would cash the check.
 - (e) Using the same process, KASTELLO or another participant, would submit a claim relating to the same car and the same damage to another insurance company with which a participant in the scheme had a policy. This cycle would continue until the insurance companies became aware of the multiple claims and refused further property damage settlements.
8. Using multiple false names and personal identifiers, KASTELLO used one of the fraudulently obtained cars to file fraudulent insurance claims employing the process described above.

Theft of the 2002 Chrysler 300M

9. On November 23, 2004, KASTELLO applied for credit to purchase a 2002 Chrysler 300M, Vehicle Identification Number (VIN) 2C3H66G42H153298, from Bart's by signing an Applicant's Credit Statement (Application), which contained a false statement of income and employment.
10. Based on the representations made on KASTELLO's Application, CWFCU approved KASTELLO's Application.
11. On November 24, 2004, KASTELLO drove the 2002 Chrysler 300M into the Eastern District of Virginia.

Fraudulent Claim and Mailing Concerning the 2002 Chrysler 300M
VIN 2C3H66G42H153298

12. On January 5, 2005, KASTELLO, using the false name of Jason Kastello and representing himself as the true owner of the Chrysler, filed a claim with GMAC seeking payment for property damage resulting from an automobile accident in the 2002 Chrysler 300M.
13. On January 17, 2005, GMAC, using the U.S. mail, mailed a \$1,968.90 claim check to KASTELLO, in the name of his alias, Jason Kastello, to 6344 Columbia Pike, Falls Church, Virginia 22041. GMAC issued and mailed this check to KASTELLO in payment for a false claim relating to the 2002 Chrysler 300M.
14. On or about February 8, 2005, KASTELLO, using his alias Jason Kastello, cashed the \$1968.90 claim check GMAC issued to Jason Kastello in payment for a false claim relating to the 2002 Chrysler 300M.
15. As described in this statement of facts, KASTELLO's actions were undertaken knowingly, willfully and unlawfully, and did not result from accident, mistake or other innocent reason.

Respectfully submitted,

Paul J. McNulty
United States Attorney

Louis J. Ruffino
Special Assistant United States Attorney
Steve A. Linick
Assistant United States Attorney

After consulting with my attorneys and pursuant to the plea agreement entered into this day between the United States and me, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States could have proved the same beyond a reasonable doubt.

Ricky Kastello
Defendant

I am Ricky Kastello's attorney. I have carefully reviewed the above Statement of Facts with him. To my knowledge, his decision to stipulate to these facts is an informed and voluntary one.

Thomas B. Walsh, Esquire
Counsel for the Defendant